

Investment Incentives and Tax Savings Group

| HONIGMAN MILLER SCHWARTZ AND COHN LLP

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As competition between, and among, states and nations increases for economic development projects, there has been a growing number of government-sponsored programs intended to induce businesses to locate or expand in particular areas.

Honigman's Investment Incentives and Tax Savings Group is an interdisciplinary team designed to ensure that our clients maximize their access to, and benefit from, these various programs. The Investment Incentives and Tax Savings Group draws on the experience of Honigman's Corporate, Environmental, Real Estate, Real Estate Tax Appeals and Tax Departments to cover the full range of local, state and federal programs.

If you are:

- **Planning to start, expand or locate a business in Michigan**
- **Selling or consolidating business segments or facilities**
- **Hiring new employees or already employ a significant number of low wage workers**
- **Renovating, restoring or rehabilitating a facility or equipment**
- **Purchasing a substantial amount of computers or other new equipment**
- **Involved in significant import/export of goods**
- **An owner of property with a high vacancy rate or own a facility with idle equipment or air/water pollution control equipment**

Honigman can help...

The following is a sampling of some of the programs that are available to businesses in Michigan:

Redevelopment Incentives: Brownfield Tax Credits; Obsolete Commercial Property Tax Exemptions; State and Federal Historical Rehabilitation Tax Credits; Downtown Development Authority; Tax Increment Finance Authority; Local Development Finance Authority and Brownfield Authority Tax Increment Financing; land assemblage; infrastructure development and other programs; federal and state highway programs.

Business Location/Investment Incentives: MEGA Single Business Tax (SBT) Credits; personal property tax exemption; New Markets Credits; Venture Capital SBT Credits.

Manufacturing and High Tech Incentives: Industrial Facilities Property Tax Abatement; Smart Zone Tax Increment Financing; Start-up Business Credit; Alternative Energy Credits; Tax-Exempt Industrial Development Revenue Bonds.

Special Zones and Districts: Federal Empowerment Zones and Renewal Communities; Renaissance Zones; Tool and Die Recovery Zones; Foreign Trade Zones; Historically Underutilized Business Zones; port authorities.

Housing Related Tax Incentives: Low Income Housing Tax Credit; Neighborhood Enterprise Zones; federal mortgage guarantees.

Pollution Control Incentives: Pollution Control Facilities Property and Sales Tax Exemption; Small Business Pollution Prevention Loans; Scrap Tire Cleanup Grants; Brownfield Tax Increment Financing.

Employment Related Incentives: Federal Welfare-to-Work and Work Opportunity Tax Credits; job training grants; SBT New Employment Credit; Youth Apprenticeship Tax Credit.

Other Grants: Community Development Block Grants; site improvement grants; freight infrastructure grants.

Below-Market Rate Financing: Small Business Administration Loans; Tax-Exempt Industrial Development Revenue Bonds; Broadband Authority Loans; State Housing Development Authority Loans; taxable bond programs.

Honigman professionals also have experience assisting clients in weighing their site selection options outside Michigan.

Honigman success stories

Honigman professionals recently worked to successfully obtain MEGA SBT credits, pollution control and/or property tax abatements for many international companies or joint ventures locating or expanding in Michigan. A sampling includes:

Affinia Group Inc.
AutoAlliance International Inc.
Faurecia

Harmen International
Jatco USA
Pfizer

Robert Bosch Corporation
Steelcase, Inc.

Compuware Headquarters. We represented Compuware Corporation in connection with the acquisition, development and construction of its \$350 million headquarters facility in downtown Detroit, including the purchase and development agreement with the City, related tax abatements, and a MEGA SBT credit. We drafted and arranged for the implementation of amendments to state law to facilitate the tax abatement and to secure an SBT credit of \$30 million.

Wayne State University Research and Technology Park. In Detroit's "Smart Zone", we represent the owner/developer of a business incubator facility which includes laboratory and office space for emerging technology businesses. We assisted the owner/developer in financing the renovation and conversion of an historic industrial building, utilizing federal and state historic credits, state brownfield credits and federal New Markets Tax Credits. This \$18 million development was the first New Markets Tax Credit transaction in Michigan.

Ford Land. Honigman was lead counsel to Ford Land on the redevelopment of a 243 acre landfill in Allen Park into a commercial shopping center with almost 1,000,000 square feet of retail space. We assisted in obtaining approval of the largest environmental brownfield tax increment finance plan ever approved by the State of Michigan for this project (\$30 million). We were involved in negotiations for all aspects of this redevelopment, including the novel creation of a condominium on the landfill in order to sell units for shopping center development above the former landfill. We also led the negotiations on creative bond financing and site development issues including resale of condominium units to other developers and end users.

Battle Creek Unlimited. We assisted a non-profit economic development agency, which has been managing the major Battle Creek redevelopment effort for many years, in drafting an amendment to the Tax Increment Finance (TIF) Authority Act and securing legislative action with respect to vitally important TIF funding.

Park Shelton. Honigman found success for the developers in the redevelopment of this signature building in Detroit. The project included a condominium conversion and was made possible with a blend of Single Business Tax brownfield credits and property tax relief through the Neighborhood Enterprise Zone program.

Woodbridge Estates Development. We have been lead counsel to the developer in this \$200 million multi-phased redevelopment of a 50-acre former public housing site and conversion to a mixed-income residential community of single-family owned and rental properties. We have assisted the developer with project financing which has included HUD HOPE VI funding, low income housing tax credits, state brownfield credits and Neighborhood Enterprise Zone designation.

Renaissance Global Logistics. The operator sought the representation of Honigman in connection with the acquisition and financing of the construction of this automotive processing and logistics facility. This industrial facility benefited greatly from the state and local tax exemptions available from the Renaissance Zone designation and was among the largest projects completed in the state in a Renaissance Zone.

Merchants Row. The owner/developer sought the rehabilitation of seven vacant and under-utilized buildings on Woodward Avenue in downtown Detroit, resulting in a mixed-use residential loft-apartment and commercial retail and parking project. Our representation included federal and state historic tax credits, a purchase and development agreement with Detroit's Downtown Development Authority and a second mortgage loan from the Authority.

Inn on Ferry Street. We represented the owner and developer in the rehabilitation of historic real estate in Detroit's mid-town and cultural center neighborhood. Our project work included structuring state and federal historic tax credits, a federal Housing and Urban Development Section 108 loan from The City, recycled federal urban development action grant financing (UDAG), loans from The City's economic development corporation and an affiliate of Wayne County and other financing. Honigman and other project participants received a national preservation award from the National Trust for Historic Preservation "for the imaginative conversion of four historic houses into the Inn on Ferry Street, bringing economic vitality to an inner-city neighborhood."

Contact

If you would like additional information about Honigman's Investment Incentives and Tax Savings Group, or the programs mentioned, please contact **Mark Hilpert** at **517-377-0727** or **mhilpert@honigman.com**.

About us

For over 50 years, Honigman Miller Schwartz and Cohn LLP has been committed to serving our clients with world-class legal experience and outstanding client service. Today we are widely recognized as one of Michigan's premiere law firms, with over 220 attorneys. Combining decades of experience with a thorough understanding of our region's business and regulatory environment, and the highest standards of professionalism, we provide exceptional legal solutions in a wide range of practice areas. We make it our business to understand our clients' businesses, as well as their legal needs. It's part of Honigman's commitment to excellence and our vision for growth and prosperity.

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